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Turks and Caicos Islands

Working paper prepared by the Secretariat

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. General.....	1-2	2
II. Constitutional, legal and political issues.....	3-11	2
III. Economic conditions.....	12-38	3
A. General.....	12-14	3
B. Budget.....	15-21	4
C. Financial services.....	22-24	5
D. Agriculture, fisheries, construction and manufacturing.....	25-29	6
E. Tourism.....	30-33	6
F. Infrastructure.....	34-38	7
IV. Social conditions.....	39-52	8
A. Immigration and labour.....	39-41	8
B. Education.....	42-44	8
C. Health.....	45-49	9
D. Crime.....	50-52	9
V. Relations with international organizations and entities.....	53-57	10
VI. Future status of the Territory.....	58-71	11
A. Position of the territorial Government.....	58-61	11
B. Position of the administering Power.....	62-70	11
C. Consideration by the General Assembly.....	71	13



I. General

1. The Territory of the Turks and Caicos Islands¹ comprises 40 islands and cays, which lie 145 kilometres north of Haiti and the Dominican Republic and 925 kilometres south-east of Miami, United States of America. Of these islands, only six are permanently inhabited: Grand Turk, where the capital, Cockburn Town, is located; Salt Cay; South Caicos; Middle Caicos; North Caicos; and Providenciales. The total population of the Territory is estimated at 25,000,² including some 5,000 to 6,000 immigrants from Haiti and the Dominican Republic. Approximately 11,000 are "belongers", local citizens of the Turks and Caicos Islands who have the right to vote in general elections. Around 17,000 people live on Providenciales, which is the business and tourism centre of the Territory. The administrative capital, Grand Turk, has a population of about 4,000. Most of the population are of African descent, the rest being of mixed or European origin. English is the main language, with some Creole spoken by Haitian immigrants. The main religion is Christianity.

2. The Turks and Caicos Islands were discovered by the Spanish in 1512. In 1678, Bermudans established a salt industry. The Islands were settled by royalist sympathizers from the United States after the War of Independence; they established cotton plantations, employing slaves. Between 1833 and 1843, slavery was abolished and the plantation owners left the Islands, leaving their former slaves in possession. From 1874 to 1959, the Turks and Caicos Islands were governed by Britain as a dependency of Jamaica. The Islands became a separate colony of the United Kingdom of Great Britain and Northern Ireland in 1962, under the control of the Bahamas, but with Bahamian independence in 1973, the Turks and Caicos were placed under a British Governor stationed on Grand Turk.

II. Constitutional, legal and political issues

3. The Turks and Caicos Islands is an Overseas Territory of the United Kingdom with a ministerial system of government. Under the provisions of the 1976 Constitution, amended in 1988, executive power is vested in the Governor, appointed by the Queen. The Constitution provides for an Executive Council and a Legislative Council. The Governor is responsible for foreign affairs, internal security, defence, the appointment of public officers, offshore finance and certain other matters, but is otherwise required to act on the advice of the Executive Council. The Executive Council consists of the Governor, six elected members of the Legislative Council appointed by the Governor (the Chief Minister and his five Ministers) and two ex officio members (the Chief Secretary and the Attorney General). The Legislative Council consists of 19 members: 13 representatives elected by popular vote, 3 appointed by the Governor (one of these on the advice of the Chief Minister and one on the advice of the Leader of the Opposition), the two ex officio members of the Executive Council and the Governor. The Speaker is appointed on the advice of the governing party.

4. The current Governor is James Poston, who has been in office since 2002. In November 2004, the United Kingdom Government approved the appointment of Richard Tauwhare as Governor of the Territory, to take office in mid-2005.³

5. There are two main political parties in the Territory, the People's Democratic Movement (PDM) and the Progressive National Party (PNP), formed in 1975 and 1980, respectively.

6. In the general election held on 24 April 2003, PDM, the then governing party, won 50.2 per cent of the vote and the opposition PNP 49.8 per cent. In August 2003, by-elections were held in two constituencies following a successful petition to the Supreme Court by PNP alleging maladministration in the registration of electors in the general election. The new elections were supervised by independent observers from the United Kingdom. As a result of the by-election, PNP gained an 8 to 5 majority of the elected members of the Legislative Council, and Michael Misick, the leader of the party since 2002, was sworn in as Chief Minister on 13 August 2003.
7. The legal system, based on English Common Law, includes a Supreme Court and a Court of Appeal, and has provision for appeal to the Privy Council in London.
8. As reported previously (see A/AC.109/2004/16, para. 9), the British Overseas Territories Act 2002 provided for the right to British citizenship of the citizens of all United Kingdom Territories, including the Turks and Caicos Islands.
9. In September 2002, the Constitutional Review Body presented the constitutional modernization review report which, inter alia, reflected public concerns and made recommendations related to limiting the powers of the Governor and creating a permanent Deputy Governor position, as well as others regarding the executive, legislative and judicial organs of the Territory (see A/AC.109/2003/8, paras. 7-11 and A/AC.109/2004/16, paras. 10-17).
10. During the discussion of the report by the Legislative Council in October 2003, the Chief Minister suggested a bipartisan approach, with a view to going to the constitutional talks with the British Government with a common position. In July 2004, a delegation of senior officials from the British Government held constitutional talks with the Chief Minister and the Cabinet in the Turks and Caicos Islands. The delegation held separate talks with the Opposition PDM, following the latter's decision not to take part in joint talks with the governing PNP. The Chief Minister had a further meeting in London in September 2004 with the British Foreign Office minister responsible for the Overseas Territories. The talks on constitutional reform continued in December 2004.
11. According to information provided by the administering Power, the talks have focused on the issues raised in the constitutional review, including the relationship between the United Kingdom Government and the elected Government of the Territory. The British Government has made it clear that it would give careful consideration to any proposals put to it within the framework of promoting the maximum degree of local self-government. However, the United Kingdom remains steadfast that as long as the Turks and Caicos Islands choose to maintain its link with Britain, the British Government must retain sufficient reserve powers to ensure that it is able to fulfil its international obligations and protect itself against contingent liabilities.⁴

III. Economic conditions

A. General

12. Since the 1980s, the main sectors of the economy have been upmarket tourism and international financial services. Foreign investors, mainly from Canada, the United Kingdom and the United States, play a significant role in the Islands'

economic life. The main areas of private investment are tourism, property development and real estate, international finance and fishing. The main focus of investment activity is the island of Providenciales.

13. The average gross domestic product has grown by over 8 per cent per year during the past decade, rising from \$69 million in 1990 to \$216 million in 2002 (the United States dollar is the official currency of the Turks and Caicos Islands). According to the Department of Planning and Statistics, in 2003 the gross domestic product rose to an estimated \$308 million, representing a 15 per cent increase over 2002. The projected growth for 2004 was approximately 13 per cent.⁵ Although unemployment never fell below 12 per cent and the growth was unevenly distributed among the constituent islands, the economic well-being of the population improved considerably.

14. The Turks and Caicos Islands were struck by Hurricane Frances in early September 2004. Other than power cuts and temporary telecommunication losses, only minor damage to a small number of houses was reported.⁶

B. Budget

15. The budget is projected on a triennial basis, with annual revisions. The fiscal year begins in March.

16. In the 2003/04 period recurrent revenue grew by 25 per cent, to \$104 million, surpassing the estimate of \$89 million. This increase was due mainly to the collection of stamp duty on land transactions. Recurrent expenditure for 2003/04 was \$93.5 million (\$6.5 million higher than the budgeted amount), representing a 19 per cent increase over 2002/03. The increase in expenditure was due mainly to higher joint venture costs and increased costs in the Civil Aviation Department, medical referrals and drugs, rental and maintenance of buildings, illegal immigrants' repatriation costs and scholarship costs. Despite the increase in recurrent expenditure, there was a recurrent surplus of almost \$11 million.

17. According to the 2004/05 budget address presented by the Minister of Finance in May 2004, the Government estimated recurrent revenue for the 2004/05 fiscal year at \$110.8 million and recurrent expenditure at \$107.9 million, with a resulting surplus of about \$3 million. Development expenditure for this period is estimated at \$72 million, of which \$17.4 million will be locally funded, \$38 million will be funded by borrowing and the remainder through capital grants and private finance. In order to finance infrastructure throughout the Territory, the Government plans to establish an infrastructure development fund through a \$0.25 increase in fuel tax. The Government also announced its intention to amend the provisions of the Hotel and Restaurant Ordinance relating to accommodation tax, so that owners of villas and private homes will also become subject to that tax.

18. In the 2004/05 period, the Government expects the main sources of revenue to be taxes (accounting for 39 per cent of total revenue), duties (35 per cent), fees and charges (14 per cent), other charges (6 per cent), licences (5 per cent) and rents (1 per cent).

19. Development expenditure over the 2004/05 period will be directed towards the following: a new launch for the Royal Turks and Caicos Islands Police Force; improvements at the H. J. Robinson High School; construction of a new government

office block; protection and security of the Territory's borders; formulation of a national development plan and a medium-term social and economic strategy; addressing overcrowding at schools on Providenciales; expanding the network of roads on North Caicos; and the establishment of a proper marketplace on Providenciales.⁷

20. According to the administering Power, any deficit in the Territory's budget in recent years has been covered by funding from the United Kingdom, the European Union and multilateral agencies. The Government levies no taxes on corporate or personal income, capital gains or inheritance. The largest component of current revenue is customs duty, while company registration fees and tourism levies have produced an increased share in recent years. Borrowing guidelines are agreed to from time to time with the United Kingdom Government, the most recent agreement being in 2003.

21. In late 2004, the Government announced that it had secured permission from the United Kingdom to borrow up to \$28 million to undertake infrastructure projects.⁸

C. Financial services

22. Overall constitutional responsibility for the Turks and Caicos Islands' offshore finance sector rests with the Governor. At the practical level, responsibility for regulation and supervision rests with the newly created Financial Services Commission, a statutory body separate from the Government with a governing board appointed by the Governor. The financial services regulatory structure has undergone major modifications since 2000 and legislation is in place covering the banking, insurance and securities businesses, corporate and trust service providers, anti-money-laundering measures, counter-terrorism financing and international cooperation. Among the attractions that the Turks and Caicos Islands presents to offshore companies are the use of the United States dollar as the official currency, the absence of direct taxation, a growing financial infrastructure, fast and straightforward company registration procedures and a flexible regulatory regime.

23. A number of major international accounting and financial service companies operate out of the Turks and Caicos Islands. Although considered less important to the economy than it was a few years ago, the financial services sector nevertheless contributes around 10 to 12 per cent of the gross domestic product and is the second largest source of external revenue after tourism and the third largest employer in the Territory. The captive insurance industry continues to grow steadily, with a net increase of 16 captives in 2003 bringing the Territory's total to 159 insurers covering about 16,500 companies domiciled in the Turks and Caicos Islands.⁹

24. As earlier reported (A/AC.109/2004/16, para. 26), discussions within the European Union since 1998 on cross-border taxation of savings accounts held by citizens of European Union countries led, in 2003, to agreement on the European Union savings tax directive. The directive is scheduled to be implemented by July 2005 and will apply to all European Union members and their territories, including the Turks and Caicos Islands. The directive requires that details of all interest paid in another country to a European Union resident be passed to the relevant European Union home-State taxation authority, or that a withholding tax be levied and passed on to the relevant European Union authority. In March 2004, the Turks and Caicos

Government agreed to legislate the implementation of the directive and to levy a withholding tax, rather than providing details of interest income earned by European Union residents to their home country's tax authority.¹⁰

D. Agriculture, fisheries, construction and manufacturing

25. Agricultural production is small and concentrated in North Caicos. The sector has begun to grow recently, with more produce available for sale on Providenciales and the establishment of a new farmers' cooperative. About 20 per cent of the working population is involved in agriculture and fishing. The production of high-value, value-added and specialty export products has an important potential for growth and investments in the Territory.

26. Efforts are being made to develop an agricultural policy to assist local farmers and promote import substitution for some food items currently imported.

27. According to the 2003 annual report of the Caribbean Development Bank, released in 2004, the fisheries sector registered mixed performance during 2003, with a decline in lobster production and a rise in conch production as compared with the previous year. Lobster production continued to be adversely affected by illegal fishing during the closed season and by poaching from foreign vessels. The major challenge to the fisheries sector stems from the ineffective monitoring and control of illegal fishing in the absence of adequate patrols. The Ministry of Natural Resources of the Territory is currently working on a new fisheries management policy to address these concerns. The sector's export earnings were \$2.5 million for the period January to September 2003 and, for the calendar year 2003, were expected to be much higher than the \$2.6 million export earnings for 2002.¹¹

28. Apart from the production of handicrafts for the tourism trade, the only manufacturing activity is the semi-processing of imported rice for re-export to the European Union, benefiting from duty preferences under the Lomé Convention. Operations were begun in 1994 but have been reduced since early 1997, when the European Union imposed a restrictive quota on rice imports from African, Caribbean and Pacific countries via the overseas countries and territories regime.¹²

29. Several international construction companies are based in the Turks and Caicos Islands. According to information provided by the administering Power, most major projects are subject to international competitive bidding. Sand and rock are quarried locally for use in construction projects, most significantly for hotels and commercial buildings.¹² The construction and real estate markets continue to grow, focusing on the construction of upmarket hotels and resorts, condominium and time-share accommodations, domestic housing and beach properties.¹³

E. Tourism

30. The Turks and Caicos Islands tourism sector continued to record one of the fastest growth rates in the entire Caribbean. According to the Tourist Board, tourism picked up in 2003 and continued to grow throughout 2004. Total air passenger arrivals numbered around 154,000 in 2003. Provisional estimates for 2004 suggested a further increase. Cruise ship arrivals also went up to over 21,000 in 2003.

31. According to the Turks and Caicos Hotel and Tourism Association, tourism has grown by approximately 90 per cent over the last 10 years. In order to satisfy the heightened demand, there has been an accompanying boom in development with more than 20 resorts opening during that period. The construction of new hotels in the Territory continued during the period under review, including the start of construction of an \$85 million boutique resort comprising 72 luxury suites on Grace Bay beach, a \$70 million Ritz-Carlton development on West Caicos, a 100-room extension to the existing Beaches Turks and Caicos resort and a \$45 million renovation of the Grace Bay Club.¹⁴

32. During 2004, the Turks and Caicos also recorded an increase in passenger air service capacity of close to 25 per cent, translating to an additional 1,000 seats per week.¹⁵

33. As reported previously (see A/AC.109/2004/16, para. 34), in 2003, the Chief Minister of the Territory signed a development agreement with Holland America/Carnival to construct a cruise ship port in Grand Turk. In December 2004, work commenced on the cruise terminal. The port, which is scheduled to open in late 2005, is expected to contribute to economic growth and the revitalization of the Territory's capital. Part of the investment by Carnival includes \$1 million for loans to encourage small business creation and \$3 million to develop infrastructure and tourism products on Grand Turk, which should help land-based tourism.¹⁶

F. Infrastructure

34. Transport and communication facilities are of a good standard, reflecting the Territory's relatively high income and the developing offshore financial sector. There are airports capable of handling international flights on Providenciales, Grand Turk, North Caicos and South Caicos, and paved airstrips on Middle Caicos and Salt Cay. From Providenciales, American Airlines, US Airways and Delta operate flights to the United States and British Airways operates flights to the United Kingdom. In season, there are charter flights from several North American cities, including Boston, Chicago, Detroit, New York, Philadelphia and Toronto. Inter-island air services are provided by SkyKing, Turks and Caicos Airways and numerous local charters. Flights are also available to the Bahamas, Haiti, the Dominican Republic, Puerto Rico, Cuba and Jamaica.

35. In 2004, a new terminal building opened at Grand Turk International Airport. The construction comprises a new state-of-the-art terminal, car parks, landscaping, access roads, extensions to the runway, resurfacing of the existing runway and upgraded airport landing lights.

36. Grand Turk, Providenciales, South Caicos and Salt Cay have ports. The road network covers about 130 kilometres, with paved roads on Grand Turk, Providenciales and the Caicos Islands.

37. As mentioned in paragraph 33 above, a new port is being built in Grand Turk in cooperation with Holland America. It will provide a cruise dock extending 512 metres from the shoreline and capable of accommodating two cruise ships at a time.¹⁶

38. Cable and Wireless, a British telecommunication company, provides domestic and international telephone services in the Territory. In July 2004, the

Telecommunications Bill 2004 was passed, breaking the 105-year monopoly of Cable and Wireless and introducing gradual liberalization of the sector to be completed by the end of 2005. The new law also creates a Telecommunications Commission to regulate the industry.¹⁷ There are 12 cable television channels on Grand Turk and 32 on Providenciales, and seven radio stations. There are no daily newspapers. The *Free Press* and the *Turks and Caicos News* are published weekly, and the *Times of the Islands*, a magazine aimed at business and tourism, is issued quarterly. All electricity services are operated by private companies using diesel generators, and conform to United States standards of supply and reliability.¹²

IV. Social conditions

A. Immigration and labour

39. The expansion in the tourism and offshore finance sectors has resulted in favourable economic growth, but activities in these areas are concentrated almost totally on one island, Providenciales. Thus, economic opportunities are not equally distributed among the islands. Unemployment varies between 14 and 20 per cent on the other islands, while Providenciales boasts almost full employment. Inter-island migration is common, particularly to Grand Turk where the capital is located. A number of social problems, such as overcrowding, housing shortages and an increase in the number of female-headed households, have resulted from this skewed pattern of development.

40. As earlier reported (see A/AC.109/2004/16, paras. 41-44), in March 2004, the Immigration Review Commission presented its report containing proposals for major changes in the immigration laws that would bring the immigration regime of the Turks and Caicos Islands in line with that of other countries in the region. The report covered such issues as "belonger" status (local citizenship), permanent and long-term residency, home ownership and investor permits, as well as the impact of the substantial increase in the resident population on health, education and other social services. The report noted the importance of retaining people with specialized skills and expertise for the proper development of the Territory.

41. In November 2004, the Employment Ordinance 2004 was passed. The new ordinance establishes the Labour Tribunal as a judicial forum for employment disputes. The tribunal has the competency to deal with complaints concerning all rights conferred on employers and employees by the ordinance. The ordinance also introduces a requirement for contracts of employment.¹⁸

B. Education

42. Education in the Territory is free and compulsory for children between 5 and 16 years of age. There are 14 Government-run primary schools and 4 Government-run secondary schools. The adult literacy rate is 98 per cent. The pupil-teacher ratio averages 25:1.

43. For the 2004/05 fiscal year, 18 per cent of projected expenditure was earmarked for the Department of Education.

44. In September 2004, the Government unveiled the report of the Education Policy Advisory Commission, which makes recommendations on a number of issues including human resources, curriculum and material resources. In the report, which examines the state of education in the Territory, the Minister highlighted notable improvement in the results of students in the major standard examinations. The Government also announced a review of the Territory's scholarship programme in 2004.¹⁹

C. Health

45. Basic health care is available on the islands through a network of primary health-care clinics and one hospital, located on Grand Turk. The Government has sought to address infrastructural needs, especially on the island of Providenciales, which has a high population growth rate.²⁰

46. In October 2004, the Minister for Health indicated that the Government was in the process of having two new hospitals built in the Territory. At the same time, the Minister noted that it was a long-term goal of the Government to establish a structured health insurance policy in the Turks and Caicos Islands.²¹

47. According to the World Health Organization, the illegal migrant population presents a major challenge for the Territory. Migrants often live under poor conditions, and there is a recorded increase in the incidence of communicable diseases, especially tuberculosis, among them. This situation also places an additional strain on the Territory's health system.

48. For the 2004/05 fiscal year, 17 per cent of the projected expenditure was allocated for the Department of Health. In October 2004, the Minister of Finance, Health and National Insurance indicated that during the previous period, the expenditure on both health and education had exceeded their allotted budget.²¹

49. During the period under review, the Government addressed the issue of the cost of medical referrals. Due to the lack of technical capability in the Territory for medical assistance, medical referrals from the Turks and Caicos Islands to medical institutions in the United States are high. In the past medical referrals were part of the Territory's health-care infrastructure and were publicly subsidized. However, in 2004, the Government developed a new medical referral policy which introduced a means testing system and limited the amount the Government would pay per referral. In addition, the Government developed a comprehensive referral agreement with Cleveland Clinic in Fort Lauderdale in the United States with a view to containing the Territory's overseas medical referral costs. The agreement also provides for technical assistance to the Territory in planning health-care services and sectoral infrastructure development for the medium term.⁷

D. Crime

50. While the Territory has the lowest crime rate in the region, it is confronted with offences such as drug trafficking, illegal immigration, mostly from Haiti, and illegal fishing (see A/AC.109/2003/8, paras. 49-51 and A/AC.109/2004/16, paras. 47-49).

51. Illegal immigration from Haiti is high on the agenda of the law enforcement organs. In 2003 an average of 400 Haitian boat people arrived in the Territory each month, many of whom were made to believe by smugglers that they would be taken to the United States. The Government of the Turks and Caicos Islands has discussed the situation with the Government of Haiti.

52. As previously reported (see A/AC.109/2004/16, para. 49), the territorial Government has raised the problems of illegal immigration and illegal fishing with United Kingdom officials, as the Territory does not have enough vessels to patrol its territorial waters.

V. Relations with international organizations and entities

53. The Turks and Caicos Islands was admitted as an associate member of the Caribbean Community (CARICOM) in 1991. The Territory is also a member of the Caribbean Development Bank and Interpol.

54. During the reporting period, there was discord between the two main political parties over the issue of upgrading the Territory's membership in CARICOM. According to the Government, one of the advantages of becoming a full member of CARICOM is that the Turks and Caicos Islands would have more influence on issues dealt with in that forum, including Haiti and, in particular, Haitian refugees, an issue which the Chief Minister stated was "the single largest threat to the Turks and Caicos Islands and its economy". At the same time, the Chief Minister has confirmed that the Territory will only pursue full membership in CARICOM on condition that it will abstain on issues relating to freedom of movement within the Community, the Caribbean Single Market and Economy, the Caribbean Court of Justice and other issues that have direct bearing on external relations, defence and security.²²

55. In April 2004, CARICOM signed an agreement with the United Nations Development Programme (UNDP) that will allow the Turks and Caicos Islands to benefit from the \$22 million dollar Caribbean Renewable Energy Development Programme and a project funded by UNDP and Japan for the establishment of a CARICOM videoconferencing facility. The Renewable Energy Development Programme is intended to lower emissions of carbon dioxide in the region and to reduce dependency on petroleum products, which currently account for 93 per cent of commercial energy consumption.²³

56. In December 2004, the President of the Caribbean Development Bank visited the Turks and Caicos Islands in an effort to gain a deeper understanding of the Government's development plans for the Territory. He visited a number of local businesses that had benefited from the Bank's loans which, over the years, had amounted to more than \$7 million.²⁴

57. As part of its membership of the Association of Overseas Countries and Territories of the European Union, the Turks and Caicos Islands hosted the Association's first biennial small islands micro-economies conference in February 2005. The aim of the conference was to provide a forum for the Association's member countries to discuss and share experiences concerning issues affecting their development. The issues examined at the conference included: health care,

education, utilities, administration and justice, globalization and international trade rules, transport and disaster preparedness.²⁵

VI. Future status of the Territory

A. Position of the territorial Government

58. As described in paragraphs 10 and 11 above, constitutional talks between the Government of the Turks and Caicos Islands and officials from the United Kingdom took place throughout 2004. According to the Chief Minister, the talks were fruitful and allowed the Government of the Territory to make clear its position on constitutional advancement towards full self-government. The talks also allowed the officials from the United Kingdom to make clear the extent of constitutional change that their Government would be willing to accept without full independence of the Territory.²⁶

59. Speaking at a press conference following the talks in July 2004, the Chief Minister confirmed that his party (PNP) intended to take the Territory to full internal self-government while pursuing its ultimate goal of "full sovereignty for the people". The Chief Minister stated: "We came to power almost a year ago on a mandate of change and we consider that full internal self-governance is a part of that change. ... We made a case very strongly that we have a mandate for full internal self-government and we hope to continue to push that position." According to the Chief Minister, there were a number of issues upon which the territorial Government and the United Kingdom were initially unable to agree.²⁷ These issues were taken up with British ministers when the Chief Minister travelled to London to attend the Overseas Territories Consultative Council in September 2004.

60. A delegation from the Turks and Caicos Islands participated in the Caribbean and Bermuda Overseas Territories Chief Ministers Conference, held in George Town, Cayman Islands in August 2004. During the meeting the Chief Ministers reached agreement on a common position on many issues to put to the United Kingdom at the meeting of the Overseas Territories Consultative Council.²⁸

61. During the reporting period, there were numerous reports in the local and Canadian press about the proposals tabled in the Parliament of Canada to incorporate the Turks and Caicos Islands as an eleventh province of Canada. At the beginning of 2004, a member of the Canadian Parliament, who initiated the proposal, met with the Governor of the Territory and the Chief Minister to discuss the relationship between the two entities. According to Canadian sources, in view of Canada's business and trade interests in the Turks and Caicos Islands, coupled with the general preference of the population of the Territory to remain within the Commonwealth, Canada had become the preferred country of association.²⁹

B. Position of the administering Power

62. In his statement to the Fourth Committee of the General Assembly, on 5 October 2004 (see A/C.4/59/SR.3), the representative of the United Kingdom said that his Government again welcomed the opportunity, as administering Power for 10 of the 16 Territories on the United Nations list of Non-Self-Governing Territories, to update the Committee on developments since it last met.

63. He stated that the partnership between the United Kingdom and its Overseas Territories continued to develop. The sixth annual meeting of the Overseas Territories Consultative Council had been held in London in September 2004. The Council, which had been chaired by Bill Rammell, Member of Parliament, Minister for the Overseas Territories, was the forum for dialogue between democratically elected Chief Ministers and their equivalents from the Territories with United Kingdom Government ministers. The meeting in 2004 had again given an opportunity for discussion on the relationship between the United Kingdom and the Territories, on constitutional modernization issues, on sustainable development, including good governance and environmental matters, and on other issues relating to the United Kingdom's international obligations.

64. The representative stated that Mr. Rammell had made useful visits to two of the Territories, the Falkland Islands (Malvinas) and the British Virgin Islands, over the past year. These had enabled him to meet a range of people in the two Territories and to get a better, first-hand knowledge of them. He had also been able to have discussions on a wide range of issues with elected representatives in their own Territories.

65. The United Kingdom, he pointed out, welcomed the progress that was being made in the constitutional review process. Useful and productive discussions had been held over the past year by United Kingdom officials with representatives of Montserrat, St. Helena and the Turks and Caicos Islands. In St. Helena a draft constitution had been prepared and wider consultation on it was under way. Constitutional reform proposals for Gibraltar had been tabled in December 2003. Dates had not yet been set for formal talks.

66. Conscious of the limited resources in a number of the Territories, the United Kingdom Government continued to support projects in various fields to raise local capacity and to promote sustainable development and good governance. The projects ranged from economic diversification, to the reform of legislation governing child and family welfare, to a study on the alternatives to custodial sentencing.

67. In 2003, the representative of the United Kingdom had said that additional funds were to be provided by the Foreign and Commonwealth Office and the Department for International Development to support environment work in the Territories and the implementation of the environment charters for the Overseas Territories, signed in 2001. This joint Overseas Territories environment programme was funding 23 new projects in 2004-2005, of which three were multi-Territory initiatives. These included habitat restoration, surveys of natural living resources, and capacity-building for both Government and civil society institutions.

68. Regrettably, the Caribbean had again suffered badly from hurricanes. In the context of the Territories, he mentioned the devastation caused by Hurricane Ivan to the Cayman Islands, despite good local contingency planning. The United Kingdom had been able to provide some immediate help, and other Territories and neighbouring States had also helped. The United Kingdom and the Cayman Islands were very grateful to all for their assistance. Although much remained to be done, encouraging steps were being taken to enable the Territory to return to normality. The Turks and Caicos Islands also had suffered quite extensive damage in part of the Territory a few weeks earlier.

69. The United Kingdom representative mentioned that, in response to requests from some Overseas Territories for help in accessing European Commission economic, trade and development assistance, an official with responsibility for liaising with the Commission had been appointed last year to the Overseas Territories Department of the Foreign and Commonwealth Office. The officials continued to work with several of the Territories in identifying and pursuing development aid from the Commission as provided for under the November 2001 decision of the Association of Overseas Countries and Territories of the European Union.

70. The representative said that the United Kingdom continued its informal cooperation with the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. Most recently, a United Kingdom representative had presented a paper on constitutional developments in the United Kingdom Territories at the seminar organized by the Special Committee in Papua New Guinea in May 2004. Perhaps the most positive recent development was the proposal for a visit to Bermuda with a view to considering movement towards that Territory's delisting. The Secretariat was in touch directly with Bermuda on preparing for that.

C. Consideration by the General Assembly

71. On 10 December 2004, the General Assembly adopted resolutions 59/134 A and B, without a vote. Section X of resolution 59/134 B concerns the Turks and Caicos Islands.

Notes

¹ The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations.

² Population and Census Office at www.turksandcaicos.tc/Government.

³ M2 Presswire, 19 November 2004, at www.m2.com.

⁴ Information provided by the administering Power.

⁵ 2004/05 budget address, p. 9, at www.turksandcaicosislands.gov.tc/OtherPages/SPEECHES.htm.

⁶ Economist Intelligence Unit, *Country Report: Turks and Caicos Islands, October 2004* (by subscription).

⁷ 2004/05 budget address, *supra* note 5, p. 26.

⁸ Grand Turk Chamber of Commerce general meeting, 21 October 2004, at www.turksandcaicosislands.gov.tc/GIS/News/Chamber%20of%20Commerce.pdf.

⁹ "Turks and Caicos sees little impact from IRS actions", *Business Insurance*, 15 March 2004.

¹⁰ "Turks and Caicos Islands: Government signs up to EU directive", *International Money Marketing*, March 2004.

¹¹ Caribbean Development Bank, *2003 Annual Report*, at www.caribank.org.

¹² Economist Intelligence Unit, *Country Profile 2004: Turks and Caicos Islands* (by subscription).

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